Please type a plus sign (+) Inside this box ⊞

| UTILITY PATENT APPLICATION TRANSMITTAL (Only for new nonprovisional applications under 37 C.F.R. § 1.53(b)) | | |
|---|---|---|
| | Attorney Docket No. | 109140-0002 |
| | First Inventor or Application Identifier | David Page et al. |
| | Title | Message-Based Referral Marketing |
| | Express Mail Label No. | EL056800086US |

**APPLICATION ELEMENTS**
*See MPEP chapter 600 concerning utility application contents*

ADDRESS TO: Assistant Commissioner for Patents
Box Patent Application
Washington, DC 20231

1. ☒ *Fee Transmittal Form (e.g., PTO/SB/17)
   *(Submit an original and a duplicate for fee processing)*
2. ☒ Specification [Total Pages 25 ]
   *(preferred arrangement set forth below)*
   - Descriptive title of the Invention
   - Cross References to Related Applications
   - Statement Regarding Fed sponsored R & D
   - Reference to Microfiche Appendix
   - Background of the Invention
   - Brief Summary of the Invention
   - Brief Description of the Drawings *(if filed)*
   - Detailed Description
   - Claim(s)
   - Abstract of the Disclosure
3. ☒ Drawing(s) [Total Sheets 2 ]
4. Oath or Declaration [Total Pages 6 ]
   a. ☒ Newly executed (original copy)
   b. ☐ Copy from a prior application (37 C.F.R. § 1.63(d))
   *(for continuation/divisional with Box 17 completed)*
   ***[Note Box 5 below]***
   ☐ DELETION OF INVENTOR(S)
   Signed statement attached deleting inventor(s) named in the prior application, see 37 C.F.R. §§ 1.63(d)(2) and 1.33(b)
5. ☐ Incorporation By Reference (*useable if Box 4b is checked*)
   The entire disclosure of the prior application, from which a copy of the oath or declaration is supplied under Box 4b, is considered to be part of the disclosure of the accompanying application and is hereby incorporated by reference therein
6. ☐ Microfiche Computer Program (*Appendix*)
7. Nucleotide and/or Amino Acid Sequence Sequence Submission
   *(if applicable, all necessary)*
   a. ☐ Computer Readable Copy
   b. ☐ Paper Copy (Identical to computer copy)
   c. ☐ Statement verifying identity of above copies

**ACCOMPANYING APPLICATION PARTS**

8. ☒ Assignment Papers (cover sheet & document(s))
9. ☐ 37 C.F.R.§3.73(b) Statement (*when there is an assignee*) ☒ Power of Attorney
10. ☐ English Translation Document (*if applicable*)
11. ☒ Information Disclosure Statement (IDS)/PTO-1449 ☒ Copies of IDS Citations
12. ☐ Preliminary Amendment
13. ☒ Return Receipt Postcard (MPEP 503) (*Should be specifically itemized*)
14. ☒ *Small Entity Statement(s) (*PTO/SB/09-12*) ☐ Statement filed in prior application, Status still proper and desired
15. ☐ Certified Copy of Priority Document(s) (*if foreign priority is claimed*)
16. ☐ Other:

*NOTE FOR ITEMS 1 & 14: IN ORDER TO BE ENTITLED TO PAY SMALL ENTITY FEES, A SMALL ENTITY STATEMENT IS REQUIRED (37 C.F.R. §1.27), EXCEPT IF ONE FILED IN A PRIOR APPLICATION IS RELIED UPON (37 C.F.R. § 1.28).

17. If a CONTINUING APPLICATION, *check appropriate box and supply the requisite information below and in a preliminary amendment:*
☐ Continuation ☐ Divisional ☐ Continuation-in-part (CIP) of prior application No.: /
*Prior application Information: Examiner* *Group/Art Unit:*

**18. CORRESPONDENCE ADDRESS**

☐ Customer Number or Bar Code Label (Insert Customer No. or Attach bar code label here) or ☒ Correspondence address below

| | | | | | |
|---|---|---|---|---|---|
| Name | Steven J. Frank | | | | |
| Address | Cesari and McKenna<br>30 Rowes Wharf | | | | |
| City | Boston | State | MA | Zip Code | 02110 |
| Country | U. S. A. | Telephone | (617) 951-2500 | Fax | (617) 951-3927 |

| | | | |
|---|---|---|---|
| Name (*Print/Type*) | Steven J. Frank | Registration No. (*Attorney/Agent*) | 33,497 |
| Signature | | Date | March 6, 2000 |

jc678 U.S. PTO 09/519197 03/06/00

UNITED STATES PATENT APPLICATION

*of*

KATHLEEN GOODWIN
DAVID PAGE
CLAUDE SHEER
DAVID SHNAIDER
and
THOMAS SIMONS

*for*

# MESSAGE-BASED REFERRAL MARKETING

Express Mail Label No. EV 339 926 969 US

## FIELD OF THE INVENTION

The present invention relates to electronic commerce, and in particular to referral-based marketing over the Internet.

## BACKGROUND OF THE INVENTION

Traditional retail marketing efforts involve merchant or manufacturer advertising through mass-media outlets, such as television and print advertising. Such efforts are expensive, time-consuming, and offer no guarantee of success. As an alternative, some retail businesses have turned to multi-level marketing, in which merchants hire independent contractors who are paid on a commission basis. These contractors themselves solicit the services of other independent contractors, and receive compensation for a portion of the sales attributable to those individuals. The "grass roots" marketing tiers established in this manner can expand without limit, and as new sellers are recruited, the benefits ultimately inure to the top-level retail business.

Multi-level marketing, while advantageous in reducing advertising costs, nonetheless has numerous shortcomings. First and foremost, it requires the retail business to organize and maintain a widely diffuse sales network and to arrange for product distribution to numerous sellers, thereby

bypassing conventional distribution channels and their cost efficiencies. Second, many products (such as large appliances and automobiles, as well as many services) are not amenable to multi-level sales efforts. And finally, without direct control over the sellers themselves, the retailer is unable to prevent sales practices that can seriously jeopardize business goodwill.

What is needed, therefore, is a marketing approach that comports with existing sales and distribution patterns but does not involve the direct expenditures associated with traditional advertising.

## DESCRIPTION OF THE INVENTION

### Brief Summary of the Invention

The present invention utilizes "referral" marketing to tap the efforts of enthusiastic product purchasers in disseminating promotional information. Satisfied purchasers are already predisposed toward product praise, and the invention provides both the opportunity to direct such praise toward those likely to act on it and an incentive, in the form of a reward, for doing so. The invention is easily integrated into established retail sales channels, in particular those configured for electronic commerce.

Accordingly, in a first approach, the present invention facilitates referral marketing by online sellers of goods. The seller integrates the

referral-marketing technology of the present invention into its Internet site so that whenever a customer purchases a specific item or service, the customer is accorded the option of attaching a message recommending the purchased product to a "communication circle" of contacts. The recommendation may be posted with the order or subsequently, after the individual has received the product. The invention includes response-tracking capability that records whether any of the individuals who received recommendations purchase the product and facilitates compensation of the individual by the seller for making the sale.

Thus, in accordance with this aspect of the invention, the seller receives and processes orders of products placed remotely by a purchaser via a client machine connected to the Internet. The invention facilitates storage of a database record identifying (i) the purchaser, (ii) a plurality of contacts designated by the purchaser, and (iii) contact information (e.g., e-mail addresses) facilitating communication with the contacts. A server operated by the seller transmits, via the Internet, rendering instructions causing the client machine to render an interface (generally as a web page or pages). The interface allows the customer to designate the items of the order, one or more of the customer's contacts, and a message pertaining to the order. This information is transmitted back to the seller's server, which fulfills the order, transmits the message to the designated contacts, and monitors

whether any of the designated contacts subsequently purchases the product. If so, a credit entry is posted in the customer's record.

In a second approach, a company (which may be a seller or an independent marketing firm) offers individuals using its technology the option of picking a list of products they wish to recommend, and sending a promotional message—authored by the individual or by the product seller—to the individual's communication circle. Once again, the invention may include response-tracking capability that records whether any of the individuals who received recommendations have taken action based thereon, and facilitates reward of the individual when this occurs. This capability also provides a useful adjunct for companies whose primary business is to facilitate communication. For example, a message-routing service may deliver customer-supplied messages to designated recipients by any of various means, including conventional or wireless telephone, facsimile transmission, pager, e-mail, postal mail or courier. The present invention allows the service to give the customer the option to create a message (or append a promotion to an otherwise non-promotional message) that may result in a reward to the customer.

In accordance with this aspect of the invention, a server stores a record identifying (i) users, (ii) a plurality of contacts designated by each user, and (iii) contact information facilitating communication with the contacts. A server transmits, via the Internet, rendering instructions for an

interface that interface allows a user to select one or more products from a list of products; that list is embedded in the interface rendering instructions or is accessed by means, for example, of a hyperlink. The user designates one or more of the contacts, and selects or writes a message (or a message add-in) pertaining to the selected product(s). The invention causes the message to be transmitted and monitors whether the recipient subsequently purchases the item. If so, a credit entry is posted in the user's database record.

## Brief Description of the Drawings

The foregoing discussion will be understood more readily from the following detailed description of the invention, when taken in conjunction with the accompanying drawings, in which:

FIG. 1 schematically represents the basic approach of the invention; and

FIG. 2 is a flow diagram illustrating the basic functions of the invention.

## Detailed Description of the Preferred Embodiments

The Internet, which can provide the communication medium of the present invention, is a worldwide "network of networks" that links millions of computers through tens of thousands of separate (but intercommunicating) networks. Via the Internet, users can access tremendous amounts of stored information and establish communication linkages to other Internet-based computers.

Much of the Internet is based on the *client-server* model of information exchange. This computer architecture, developed specifically to accommodate the "distributed computing" environment that characterizes the Internet and its component networks, contemplates a server (sometimes called the host) that services the requests of a large number of smaller computers, or clients, which connect to it. A server is typically a powerful workstation or mainframe computer, while the clients may be simple personal computers.

The Internet supports a large variety of information-transfer protocols. The World Wide Web (hereafter simply the "web") represents one of these. Web-accessible information is identified by a uniform resource locator or "URL," which specifies the location of the file in terms of a specific computer and a location on that computer. Typically, a URL has the format *http://<host>/<path>*, where "http" refers to the HyperText Transfer

Protocol, "host" is the server's Internet identifier, and the "path" specifies the location of the file within the server. Each "web site" can make available one or more web "pages" or documents, which are formatted, tree-structured repositories of information, such as text, images, sounds and animations.

Web functionality is typically implemented on the client machine via a web browser. As shown in FIG. 1, a client system 110, belonging to (or operated by) a message sender or recipient, is implemented as a personal computer having a network interface 112 and, running on the system as an active process, a web browser 115. Network interface 112 connects, generally via telephone dial-up, to a gateway or other Internet access provider. As a result, the client machine 110 becomes a node on the Internet, capable of exchanging data with other Internet computers. (Naturally, computer 110 also contains various conventional components, i.e., system storage, an operating system and a graphical user interface, and a keyboard and/or position-sensing device (e.g., a mouse) for accepting input from the customer. For simplicity of presentation, these are not shown.) Browser 115 controls the content presented on a display 117. With the client connected as an Internet node, the browser utilizes URLs—provided either by the customer or a link—to locate, fetch and display the specified documents. "Display" in this sense can range from simple pictorial and textual rendering to real-time playing of audio and/or video segments or

alarms, mechanical indications, printing, or storage of data for subsequent display.

By means of the URL, browser-originated messages reach a server system 125 (which implements the functions of the invention as described below) via the Internet. The browser passes the URL to a protocol handler on server 125, which retrieves and transmits to the client machine 110 rendering instructions defining the requested web page. The browser causes the received information to be cached (usually on a hard disk) on the client computer. A web page may be written in HyperText Markup Language, or HTML, which breaks the document into syntactic portions (such as headings, paragraphs, lists, etc.) that specify layout and contents; and/or in a scripting language such as Java.

Server system 125, which is illustrated in greater detail, may be implemented as a single workstation or as a network of server computers, depending on the activity level and included functionality. For explanatory purposes, server 125 is represented as a single machine that includes a network interface 127 continuously connected to the Internet. Network interface 127 and the other internal components of server 125 intercommunicate over a main bidirectional bus 130 (which may be a physical bus in a single hardware device, or can instead represent a network such as a LAN or a WAN). The main sequence of instructions effectuating the functions of the invention and facilitating interaction among clients,

server 125, the Internet, and other modes of communication reside on a mass storage device (such as a hard disk or optical storage unit) 132 as well as in a main system memory 134 during operation. Execution of these instructions and effectuation of the functions of the invention is accomplished by a central-processing unit ("CPU") 136.

A group of functional modules that control the operation of CPU 136 and effectuate the operations of the invention is shown conceptually as located in system memory 134; once again, however, it should be stressed that this organization is for explanatory purposes. The various modules and servers may indeed be realized as active processes running on a single machine, but functionality may instead be distributed among multiple machines (or processors within a single machine), once again depending on the activity level and included capabilities.

An operating system 140 directs the execution of low-level, basic system functions such as memory allocation, file management, and operation of mass storage devices 132. At a higher level, a control block 142, implemented as a series of stored instructions, manages interaction among the various functional components of the server and ensures proper routing of data thereamong.

Server 125 may capable of communicating with customers in various modes, as explained above, but for purposes of explanation will be

considered to communicate primarily by means of the web and electronic mail. Accordingly, a web and e-mail (hereafter "web/mail") server block 145 receives communications from customers via the web and/or e-mail, and transmits proper responses via a network interface 147. An additional communication server 150 handles other modes of communication (e.g., telephone, facsimile, postal mail) both with the customer and with the customer's referrals, as detailed below. The pattern of interaction with the customer and referrals, and the content of transmissions to client computers, are handled by a transaction server 152. In the illustrated embodiment, server 125 implements a retail electronic commerce enterprise, and therefore has access to various databases— most notably a customer database 155 and a product catalog 157. These databases, discussed in greater detail below, are ordinarily stored on devices 132 and accessed as necessary. Depending on the customer's requests and interaction with server 125 via browser 115, transaction server 152 selects or causes assembly of various web pages 159 and causes web/mail server 145 to serve the pages to the client 110 via network interface 127.

Thus, server 125 is capable of facilitating retail sales over a computer network. Transaction server 152 receives and processes the orders, and generally manages the customer's interaction with the site. Transaction server 152 also maintains the customer database 155, which stores customer-identifying information (including the customer's name and postal

address, e-mail address for order confirmation, and credit-card account data). The customer's record in database 155 may also include information facilitating communication via media other than the Internet, e.g., a facsimile number. Database 155 also supports, for each customer, a list 160 of contacts entered by that customer. A contact entry will generally include a name and a means of communicating with the contact (typically an e-mail address, but possibly a telephone or facsimile number, or a postal address).

The basic operation of these components is set forth in FIG. 2. In a first step 200, the customer peruses product catalog 157 for goods and/or services of interest, and places an order via interaction with web pages 160 generated by web server 145. When the order is placed, transaction server 152 checks the customer's database record (step 205) to see if the customer is entitled to credit due to earlier successful referrals, and if so, the credit is applied to the customer's purchase.

Upon completion of the order, the customer is prompted to consider sending a message concerning the ordered item(s) to selected contacts. In step 210, web server 145 serves a web page that accords the customer access to his contact list 160. The customer may, at this time, choose to add one or more new entries to the list; data for the new entries is entered via an appropriate web page and is transmitted back to server 125, where it is stored in the customer's contact list 160 within database 155.

In step 215, a web-page form listing the customer's contact list is transmitted to the customer. The customer indicates contacts to whom a product-related message is to be sent by clicking on a check box next to each each contact name. The web page also provides a box in which the customer can enter the message. Alternatively or in addition, the customer may be allowed to select among a series of pre-written promotional messages. The customer enters or selects the desired message (step 220), and signifies completion of the form by clicking on a graphical radio button, which triggers transmission of the entered data back to server 125.

Upon receipt by server 125 of the selections and message, transaction server 145 updates the customer's database record (step 225), and the messages are sent to any designated contacts (step 230). The modes by which contacts can be reached are established by the customer when each contact is originally entered, so the customer retains some measure of control over contact communication. The customer's incentive is to create successful referrals; accordingly, the customer will designate communication modalities that will likely reach the contacts without causing annoyance. The message may be sent by any or all modalities specified in the contact entry, either at the discretion of the retailer or as indicated by the customer.

Also in step 225, a product cross-reference is entered between the customer's record and the record of each contact. In this way, if any of the contacts subsequently purchases the recommended product (step 235), a

corresponding entry will be made in the customer's record so that the customer receives credit for a successful referral. The opportunity to receive credit may expire after too much time elapses between the referral and the subsequent purchase (since the likelihood that the purchase was motivated by a referral obviously diminishes over time). The credit to the customer can represent any marketing benefit designated by the retailer— e.g., a discount on the customer's subsequent purchase. In that case, the credit is applied as described above when the customer next places an order.

The customer need not submit a message contemporaneously with the order; indeed, a purchaser may hesitate to recommend a product he has not yet received. Accordingly, transaction server 152 is configured to allow for off-order messages (step 240), which may be placed at any time. For example, the retailer's home page may contain a radio button offering the option to leave a message; when the customer selects this button, a new page is served that contains his contact list appears and also facilitates designation of the product upon which he wishes to comment. At this point, the customer selects contacts and enters his comments, and the system follows the steps 210-235 as discussed above.

Moreover, the invention may permit the customer to enter comments with respect to a product sold by the retailer, but which the customer has purchased elsewhere. The customer is rewarded based on sales

subsequently generated for the retailer, so the retailer is largely indifferent to the place of original purchase.

The invention is, of course, capable of implementations other than as an adjunct to a retail-sales system. For example, the system may be employed by an independent marketing company serving many retailers. In this case, the marketing company operates server 125, and the retailers' sales web pages offer hyperlinks to the customer's contact list on server 125; following the customer's interaction with the server, the server transmits the relevant information to the retailer for purposes of crediting the customer's account. Depending on the implementation, the customer may not even realize he is leaving the seller's site.

Alternatively, the site may be run completely independently of retailers, offering customers the opportunity to comment upon any products they own. For example, the server may be owned by a message-routing company whose primary business is transmission of messages via customer-designated communication modalities. In this case, the server proprietor's identity is known to the commenting customer, and the proprietor is responsible for arranging to reward the customer. It may not be feasible, in this implementation, to attempt to relate subsequent sales back to a particular customer's comments. Accordingly, the customer may be rewarded merely for submitting the comment (e.g., in the form of a coupon, accumulating points redeemable with various retailers, etc.), and retailers

and/or manufacturers pay the site proprietor a promotional fee for maintaining the site.

Alternatively, where reward of a referring customer is feasible based on subsequent purchase by the recommendee— e.g., if the reward is given only for purchases made within a stated time frame, or via an order proceeding directly from the message— the server proprietor may forward both the customer's and the recommendee's identities to the retailer. This facilitates reward both of the message-sender and the server proprietor. Such an arrangement is particularly convenient for message-routing services, which may send the appropriate data to retailers on an automated basis.

The customer's message may take any of several forms. In the simplest approach, the customer simply notifies the message-routing service that he wishes to send a recommendation concerning a designated product, in which case the service notes the selected product, the customer, and the recipient. It is not necessary for the service to actually evaluate the content of the message, since the customer's reward depends on a subsequent purchase by the recipient.

The service may also allow the customer to choose among pre-written, stored messages, which are forwarded to the customer's designated recipients. To prevent customers from simply designating recipients at random, the service may inform the customer that he will be identified to the

recipient(s). In related approach, the service may permit the customer to append pre-written announcements to messages that are otherwise non-promotional in nature. The announcement may, for example, identify the product and contain a URL that allows the recipient to visit a website and thereby obtain further information about the product. If the website supports e-commerce, permitting the message recipient to order the product as well, it is particularly simple for the retailer to relate the recommendee's purchase to the originating message (e.g., by embedding identifying information in the hyperlink) and thereby recognize the message-sender's role in the transaction.

It will therefore be seen that the foregoing represents a flexible, customer-friendly referral-marketing system that combines ease of use with customer incentive. The terms and expressions employed herein are used as terms of description and not of limitation, and there is no intention, in the use of such terms and expressions, of excluding any equivalents of the features shown and described or portions thereof, but it is recognized that various modifications are possible within the scope of the invention claimed.

What is claimed is:

# CLAIMS

1. An electronic commerce system for communicating with purchasers via a client machine connected to a global computer network, the system comprising:

a. a server for receiving and processing orders placed remotely by the purchaser, each order comprising a product;

b. a database, accessible to the server, comprising a record identifying (i) the purchaser, (ii) a plurality of contacts designated by the purchaser, and (iii) contact information facilitating communication with the contacts;

c. instructions executable on the client machine for rendering an interface thereon, the interface facilitating (i) designation of the order, (ii) designation of at least one of the contacts, and (iii) entry of a message pertaining to the order; and

d. a network interface for transmitting the rendering instructions to the client machine via the network,

wherein

e. the server is responsive to the interface so as to (i) facilitate fulfillment of the order and (ii) transmit the message to the at least one designated contact, the server further monitoring whether the

at least one designated contact subsequently purchases the product to facilitate reward of the purchaser.

2. The system of claim 1 wherein the product is selected from a catalog of products comprising goods, services, or goods and services.

3. The system of claim 1 wherein the client machine is configured to display the interface and to transmit to the server purchaser selections thereon.

4. The system of claim 1 wherein the purchaser's database record further comprises a data identifying a credit-card account, processing of the order including charging the account.

5. The system of claim 1 wherein the server is configured to check for credit entries in the purchaser's database record when processing the purchaser's order and to adjust the order based on any located entries.

6. The system of claim 1 wherein the interface accepts the message after the order has been fulfilled.

7. The system of claim 1 wherein the interface accepts the message with the order.

8. An electronic commerce system for communicating with a user via a client machine connected to a global computer network, the system comprising:

a. a server;

b. a database, accessible to the server, comprising a record identifying (i) the user, (ii) a plurality of contacts designated by the user, and (iii) contact information facilitating communication with the contacts;

c. instructions executable on the client machine for rendering an interface thereon, the interface facilitating (i) selection of at least one product from a list of products embedded in or accessed by execution of the instructions, (ii) designation of at least one of the contacts, and (iii) entry of a message pertaining to the at least one selected product; and

d. a network interface for transmitting the rendering instructions to the client machine via the network,

wherein

e. the server is responsive to the interface so as to transmit the message to the at least one designated contact.

9. The system of claim 8 wherein the server is configured to monitor whether the at least one designated contact subsequently purchases the item to facilitate reward of the user.

10. The system of claim 8 wherein the list of products comprises goods, services, or goods and services.

11. The system of claim 10 wherein the list of products is embedded in the instructions.

12. The system of claim 10 wherein the list of products is stored in a computer accessible over the network, the instructions comprising an address facilitating access to the list by the client computer.

13. The system of claim 8 wherein the client machine is configured to display the interface and to transmit to the server (i) the list of products, (ii) the at least one designated contact, and (iii) the message.

14. The system of claim 8 wherein the server is further configured to process orders for products, the server checking for credit entries in the user's database record when processing an order from the user and to adjust the order based on any located entries.

15. A method of facilitating referral-based electronic commerce, the method comprising the steps of:

a. receiving and processing orders placed remotely by a purchaser via a client machine connected to a global computer network, each order comprising a product;

b. storing a record identifying (i) the purchaser, (ii) a plurality of contacts designated by the purchaser, and (iii) contact information facilitating communication with the contacts;

c. causing the client machine to render an interface, the interface facilitating (i) designation of the order, (ii) designation of at least one of the contacts, and (iii) entry of a message pertaining to the order;

d. fulfilling the order;

e. transmitting the message to the at least one designated contact; and

f. monitoring whether the at least one designated contact subsequently purchases the product and, if so, rewarding the purchaser.

16. The method of claim 15 further comprising the step of supplying a catalog of products comprising goods, services, or goods and services, the product being selected from the catalog.

17. The method of claim 15 further comprising the step of storing, in the purchaser's record, data identifying a credit-card account, processing of the order including charging the account.

18. The method of claim 17 wherein the server is configured to check for credit entries in the purchaser's database record when processing the purchaser's order and to adjust the order based on any located entries.

19. A method of facilitating referral-based electronic commerce, the method comprising the steps of:

a. communicating with a user via a client machine connected to a global computer network;

b. storing a record identifying (i) the user, (ii) a plurality of contacts designated by the user, and (iii) contact information facilitating communication with the contacts;

c. causing the client machine to render an interface, the interface facilitating (i) selection of at least one product from a list of products embedded in or accessed by execution of the instructions, (ii) designation of at least one of the contacts, and (iii) entry of a message pertaining to the at least one selected product; and

d. transmitting the message to the at least one designated contact.

20. The method of claim 19 further comprising the step of monitoring whether the at least one designated contact subsequently purchases the item and, if so, rewarding the user.

21. The method of claim 19 further comprising the step of supplying a catalog of products comprising goods, services, or goods and services, the product being selected from the catalog.

22. The method of claim 19 further comprising the step of storing, in the user's record, data identifying a credit-card account, and further comprising the step of processing of an order from the user for a product, the processing step including charging the account.

23. The method of claim 22 wherein the server is configured to check for credit entries in the user's database record when processing the user's order and to adjust the order based on any located entries.

24. The method of claim 22 wherein the message is entered and transmitted after the order has been fulfilled.

25. The method of claim 22 wherein the message is entered and transmitted with the order.

## ABSTRACT

Referral marketing allows retail customers to circulate a message recommending a product to a designated set of contacts. The recommendation may be posted with the order or subsequently, after the individual has received the product. The invention may include response-tracking capability that records whether any of the individuals who received recommendations purchase the product and facilitates compensation of the individual by the seller for making the sale.

Express Mail Label No. EV 339 694 701 US

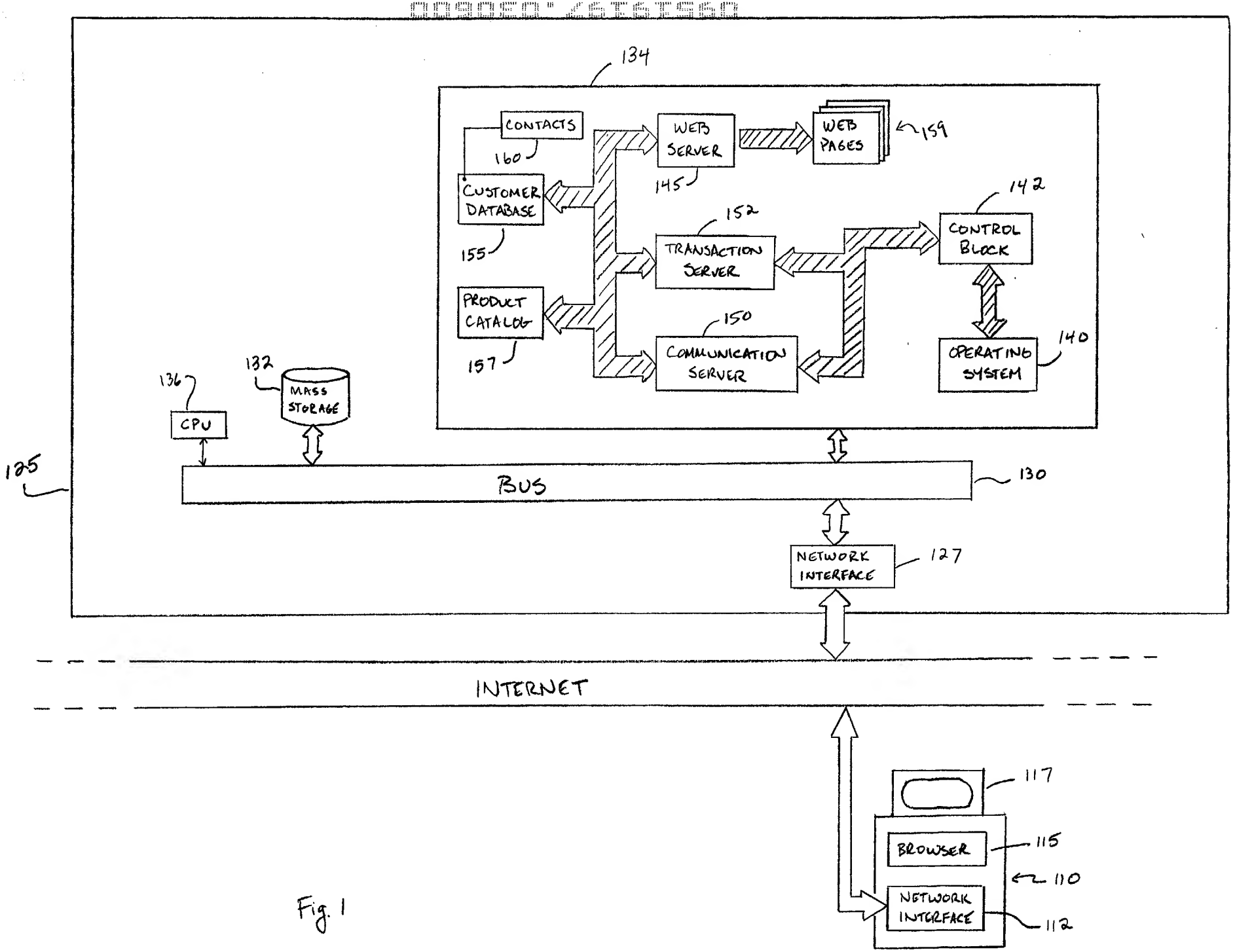
134
CONTACTS
160
WEB SERVER
145
WEB PAGES
159
CUSTOMER DATABASE
155
142
152
TRANSACTION SERVER
CONTROL BLOCK
PRODUCT CATALOG
157
150
COMMUNICATION SERVER
OPERATING SYSTEM
140
136
132
MASS STORAGE
CPU
125
BUS
130
NETWORK INTERFACE
127
INTERNET
117
BROWSER
115
110
NETWORK INTERFACE
112

Fig. 1

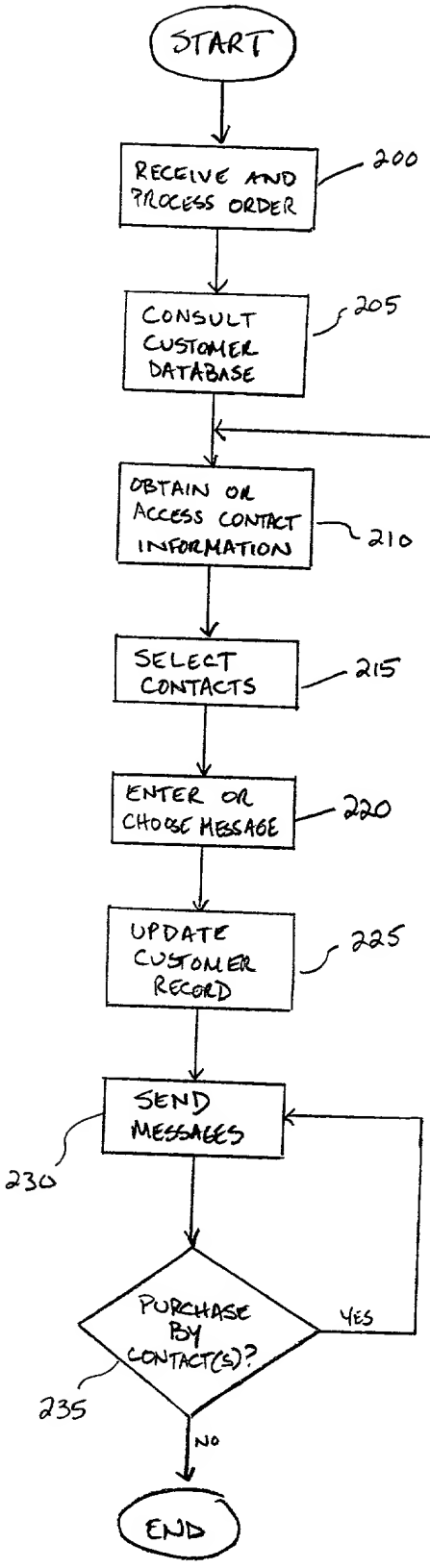
START
RECEIVE AND PROCESS ORDER
200
CONSULT CUSTOMER DATABASE
205
OFF-ORDER MESSAGE
240
OBTAIN OR ACCESS CONTACT INFORMATION
210
SELECT CONTACTS
215
ENTER OR CHOOSE MESSAGE
220
UPDATE CUSTOMER RECORD
225
SEND MESSAGES
230
PURCHASE BY CONTACT(S)?
235
YES
NO
END

Fig. 2

# DECLARATION AND POWER OF ATTORNEY FOR PATENT APPLICATION

As a below-named inventor, I hereby declare that:

My residence, post-office address, and citizenship are as stated below next to my name.

I believe I am an original, first, and joint inventor of the subject matter which is claimed and for which a patent is sought on the invention entitled Message-Based Referral Marketing, the specification of which is attached hereto and identified by Cesari and McKenna File No. 109140-0002.

I hereby state that I have reviewed and understand the contents of the above-identified application specification, including the claims, as amended by any amendment specifically referred to herein.

I acknowledge the duty to disclose all information known to me that is material to patentability in accordance with Title 37, Code of Federal Regulations, §1.56.

I hereby claim foreign priority benefits under Title 35, United States Code §119(a)-(d) of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate filed by me on the same subject matter having a filing date before that of the application on which priority is claimed: None.

I hereby claim the benefit under Title 35, United States Code §119(e) of the following U.S. provisional application: None.

I hereby claim the benefit under Title 35, United States Code §120, of the United States Application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United State Code, §112, I acknowledge the duty to disclose all information that is material to patentability in accordance with Title 37, Code of Federal Regulations, §1.56, and which became available to me between the filing date of the prior application and the national or PCT international filing date of this application: None.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment or both under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

I hereby appoint Michael E. Attaya, Reg. No. 31,731; Charles J. Barbas, Reg. No. 32,959; Joseph H. Born, Reg. No. 28,283; Robert A. Cesari, Reg. No. 18,381; Yong S. Choi, Reg. No. 43,324; Brian C. Dauphin, Reg. No. 40,983; Steven J. Frank, Reg. No. 33,497; Christopher K. Gagne, Reg. No. 36,142; A. Sidney Johnston, Reg. No. 29,548; William A. Loginov, Reg. No. 34,863; John F. McKenna, Reg. No. 20,912; Rama B. Nath, Reg. No. 27,072; Martin J. O'Donnell, Reg. No. 24,204; Thomas C. O'Konski, Reg. No. 26,320; Michael R. Reinemann, Reg. No. 38,280; Rita M. Rooney, Reg. No. 30,585; Heather B. Shapiro, Reg. No. 41,305; Patricia A. Sheehan, Reg. No. 32,301; and Joseph Stecewycz, Reg. No. 34,442, Cesari and McKenna, LLP, 30 Rowes Wharf, Boston, Mass. 02110, jointly, and each of them severally, my attorneys and attorney, with full power of substitution, delegation and revocation, to prosecute this application, to make alterations and amendments therein, to receive the patent and to transact all business in the Patent and Trademark Office connected therewith. Please direct all telephone calls to Steven J. Frank at (617) 951-2500. Please address all correspondence to Steven J. Frank.

Docket # 109140-0002

David Page — Date: 2/17/00

Residence: 11 University Lane
Manchester, MA 01944

Citizenship: U.S.A.

Post Office Address: Same as above

David Shnaider — Date

Residence: 83 Martin Road
Concord, MA 01742

Citizenship: U.S.A.

Post Office Address: Same as above

I hereby appoint Michael E. Attaya, Reg. No. 31,731; Charles J. Barbas, Reg. No. 32,959; Joseph H. Born, Reg. No. 28,283; Robert A. Cesari, Reg. No. 18,381; Yong S. Choi, Reg. No. 43,324; Brian C. Dauphin, Reg. No. 40,983; Steven J. Frank, Reg. No. 33,497; Christopher K. Gagne, Reg. No. 36,142; A. Sidney Johnston, Reg. No. 29,548; William A. Loginov, Reg. No. 34,863; John F. McKenna, Reg. No. 20,912; Rama B. Nath, Reg. No. 27,072; Martin J. O'Donnell, Reg. No. 24,204; Thomas C. O'Konski, Reg. No. 26,320; Michael R. Reinemann, Reg. No. 38,280; Rita M. Rooney, Reg. No. 30,585; Heather B. Shapiro, Reg. No. 41,305; Patricia A. Sheehan, Reg. No. 32,301; and Joseph Stecewycz, Reg. No. 34,442, Cesari and McKenna, LLP, 30 Rowes Wharf, Boston, Mass. 02110, jointly, and each of them severally, my attorneys and attorney, with full power of substitution, delegation and revocation, to prosecute this application, to make alterations and amendments therein, to receive the patent and to transact all business in the Patent and Trademark Office connected therewith. Please direct all telephone calls to Steven J. Frank at (617) 951-2500. Please address all correspondence to Steven J. Frank.

| | |
|---|---|
| David Page | Date |
| Residence: | 11 University Lane<br>Manchester, MA 01944 |
| Citizenship | U.S.A. |
| Post Office Address: | Same as above |

| | |
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| David Shnaider | 2/18/00<br>Date |
| Residence: | 83 Martin Road<br>Concord, MA 01742 |
| Citizenship | U.S.A. |
| Post Office Address: | Same as above |

Claude Sheer 2/22/00

Claude Sheer Date

Residence: 240 Main Street
Boxford, MA 01921

Citizenship U.S.A.

Post Office Address: Same as above

Tom Simons Date

Residence: 282 Beacon Street
Boston, MA 02116

Citizenship U.S.A.

Post Office Address: Same as above

Kathleen Goodwin Date

Residence: 60 Foster Street
Cambridge, MA 02138

Citizenship U.S.A.

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Claude Sheer _____ Date _____

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Tom Simons 2/29/00

Residence: 282 Beacon Street
Boston, MA 02116

Citizenship U.S.A.

Post Office Address: Same as above

Kathleen Goodwin _____ Date _____

Residence: 60 Foster Street
Cambridge, MA 02138

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Claude Sheer _____ Date _____

Residence: 240 Main Street
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Tom Simons _____ Date _____

Residence: 282 Beacon Street
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Kathleen Goodwin Feb 11. 2000 Date

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Cambridge, MA 02138

Citizenship U.S.A.

Post Office Address: Same as above

Melissa L. Cuff
Notary
MY COMMISSION EXPIRES JULY 5, 2002

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

| | | |
|---|---|---|
| In Re The Application of:<br>David Page et al. | ) | |
| | ) | Examiner: Not yet assigned |
| Serial No.: Not yet assigned | ) | |
| Filed: Herewith | ) | Art Unit: Not yet assigned |
| For: MESSAGE-BASED REFERRAL MARKETING | ) | |

**DECLARATION BY ASSIGNEE CLAIMING**
**SMALL ENTITY STATUS UNDER 37 CFR §§1.9(f) and 1.27(b)**

As an authorized officer of the below named assignee, I hereby declare that the assignee qualifies as a small entity as defined in 37 CFR §1.9(c) for purposes of paying reduced fees under §41(a) and (b) of Title 35, United States Code, to the Patent and Trademark Office with regard to the invention described in the specification identified above, and referred to as Cesari and McKenna file number 109140-0002.

The below named assignee has not assigned, granted, conveyed, or licensed and am under no obligation under contract or law to assign, grant, convey, or license any rights in the invention to any person who could not be classified as an independent inventor under 37 CFR §1.9(c) if that person had made the invention, or to any concern that did not qualify as a small business concern under 37 CFR §1.9(d) or a nonprofit organization under 37 CFR §1.9(e).

Each person, concern, or organization to which the below named assignee has assigned, granted, conveyed, or licensed or am under an obligation under contract or law to assign, grant, convey, or license any rights in the invention is listed below:

None

The below named assignee acknowledges the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small-entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 CFR §1.28(b))

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

Prizma, Inc.

By: _____

Title: COO

Date: 2/17/00